

BILL S-211

An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff

Modern Slavery Statement for the Financial Year ended December 31, 2023

This statement is made pursuant to Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff. This statement outlines the approach and initiatives by Highland Chevrolet Buick GMC Cadillac Ltd. "Highland" to identify and address the risks forced labour and child labour in its business operations and supply chains during the financial year commencing January 1, 2023, and ending December 31, 2023.

Please note the following is the introductory paragraph to the Highland employment manual:

GENERAL EMPLOYMENT POLICIES

It is our policy to employ the people who are best qualified to do the work required. The dealership attempts to provide training, advancement for deserving employees, wages comparable to those prevailing in the area and to maintaining working relationships in a manner that is fair and free from bias and discrimination. Notably, it is our policy to employ and promote employees without regard to age, race, colour, national origins, sex, religious background, or handicap. Whenever the male or female pronoun is used in this manual, it shall be deemed to mean both men and women. With the above firmly in mind, we now turn to our more general employment policies.

GROUP STRUCTURE

Highland was established in 1964. It trades under the business name Highland Chevrolet Buick GMC Cadillac with its head office in Aurora, Ontario. The company is owned by Armadale Co. Ltd. (70%), a real estate company based in Markham, and 2487621 Ontario Inc. (30%), a holding company for the active General Manager. The company operates a GM franchise selling/leasing new and used vehicles, service and repair of vehicles, and the sales of parts to retail and wholesale customers.

SUPPLY CHAIN

New vehicles are purchased from General Motors of Canada. Used Vehicles are purchased through an auction(s) across Canada or via customer trade-in. Parts are purchased from General Motors of Canada or other auto suppliers in Canada (retail or wholesale). We do not purchase any parts outside of Canada.

RISKS IN SUPPLY CHAIN

There are inherent risks in Highland's supply chain which are out of our control. Vehicles and parts are purchased from General Motors and other auto suppliers which may be manufactured outside of Canada in countries that may not possess the same Highland commitments towards respecting human rights. Highland cannot ensure that forced labour and child labour is not a part of any product within Highland's supply chain.

ACTIONS TAKEN

Highland's General Employment Policy, as described before, clearly highlights the company's position on human and labour rights. Each Highland employee is provided with a copy of the Highland employment manual and must acknowledge that they have read and understood all Highland policies. In addition, through Health and Safety training, each employee must complete courses including the Accessibility for Ontarians with Disabilities Act and Ontario's Human Rights 101 Awareness. Employees in supervisory positions must complete training courses including Recruitment and Selection Best Practices.

RISK ASSESSMENT

At this time, no steps have been taken to mitigate the risks as outlined above. It is the intention of Highland to implement procedures such that we identify third party risks within our supply chain.

REMEDIATION

Highland will consult with our Health and Safety partner to implement courses that address the issues of forced/child labour in the workplace. The course(s) will enable our employees to identify forced/child labour and determine what actions are required to address the issues and protect the victims.

TRAINING

As described above, Highland will provide compulsory training to all employees on forced/child labour. The courses to be implemented will be mandatory for all employees and will require annual updates and acknowledgement of the employee as to forced/child labour.

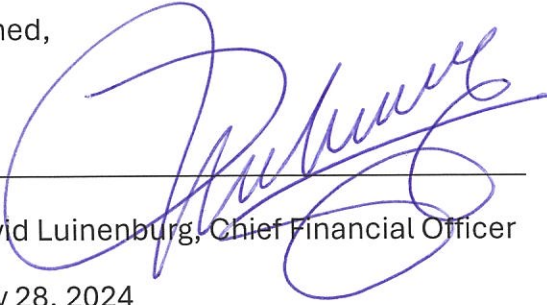
EFFECTIVENESS ASSESSMENT

Highland's Health and Safety training compliance is at 95.6% for all employees.

SIGN OFF

This statement is made pursuant to Bill S-211, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the financial year ending December 31, 2023. It has been issued on behalf of Highland Chevrolet Buick GMC Cadillac Ltd. and approved by Highland's board of directors.

Signed,



David Luinenburg, Chief Financial Officer

May 28, 2024
